

# The Diocese of Sheffield Academies Trust (DSAT)

(A Company Limited by Guarantee)

## Annual Report and Financial Statements Year ended 31<sup>st</sup> August 2017



Company number: 08745639

# The Diocese of Sheffield Academies Trust (DSAT)

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# **The Diocese of Sheffield Academies Trust (DSAT)**

## **Reference and Administrative Details**

### **Members**

H Thomas, representing the Diocese of Sheffield Education Trust  
Revd Melanie Fitzgerald, member of the Diocesan Board of Education  
Rt Revd. Peter Burrows, Chair of the Diocesan Board of Education  
D Grover, member of the Diocesan Board of Education  
Revd Stephen Gardner, member of the Diocesan Board of Education

### **Trustees**

Andrew Waldron  
Andy Brewerton (resigned 04.10.2016)  
Huw Thomas  
James Dugmore  
Mark Wheeler  
Nevine Towers  
Nick Keightley (appointed 19.5.2016)  
Yvette Hawksworth

### **Key Management Personnel**

Andrew Waldron (Chief Executive Officer)  
Alison Adair  
Lynne Thorne  
Charlotte Newton-Wall  
Sue Mellor  
Mark Wheeler  
Nevine Towers  
Yvette Hawksworth

<b>Company name:</b>	The Diocese of Sheffield Academies Trust (DSAT)
<b>Principal and Registered office:</b>	95-99 Effingham St, Rotherham, S65 1BL
<b>Company Registration Number:</b>	08745639 (England and Wales)
<b>Independent auditor:</b>	Smith Craven, Sidings House, Sidings Court, Lakeside, Doncaster DN4 5NU
<b>Bankers:</b>	Royal Bank of Scotland, Attercliffe Road, Sheffield
<b>Solicitors:</b>	Wrigleys Solicitors LLP, 19 Cookridge Street, Leeds LS2 3AG

# The Diocese of Sheffield Academies Trust (DSAT)

## Trustees' Report

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1<sup>st</sup> September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates academy schools for children within the area covered by the Diocese of Sheffield.

It has eight academies, all primary schools, seven of which are Church of England schools and one a community school.

## Structure, Governance and Management

### **Constitution**

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of The Diocese of Sheffield Academies Trust (DSAT) are also the directors of the charitable company for the purposes of company law. The charitable company is commonly known by the acronym DSAT.

Details of the trustees who served during the year are included in the Reference and Administrative Details.

### **Members' Liability**

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

### **Trustees' Indemnities**

A Trustee may benefit from any indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust: Provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as directors of the Academy Trust.

The trust has opted into the government's Risk Protection Arrangement as the means whereby UK government covers risks rather than insurance. Included within the RPA scheme is unlimited coverage for all sums the academy may become legally liable to pay (including claimants' costs and expenses) following death, injury or disease sustained by employees and arising out of and in the course of their employment by the academy and sums the academy may become legally liable to pay (including claimants' costs and expenses) as damages in respect of accidental third party injury or third party property damage. The RPA covers trustees Liability Expenses to the level of £10,000,000 any one loss and any one membership year.

### **Method of Recruitment and Appointment or Election of Trustees**

Directors are recruited and appointed to meet identified needs with recommendations from the Directors made to the members who agree by majority voting to appoint to the board.

### **Policies and Procedures Adopted for the Induction and Training of Trustees**

New trustees are inducted by the Board through the support of experienced directors.

### **Organisational Structure**

The Diocese of Sheffield Academies Trust affirms the concept of the parish school that is for and from the parish church and community.

The Trustee Body is responsible for agreeing all policies covering Personnel, Health & Safety, Curriculum and Financial aspects of the work of all academies within The Diocese of Sheffield Academies Trust (DSAT). Policies set at individual academy level are reviewed and agreed by Directors.

The directors have reviewed the skill levels on the board are happy the board is made up of individuals from diverse backgrounds with a variety of specialisms required to successfully operate a Multi Academy Trust.

The full Trustee Body currently meets at least once every half term. This is considered to be a full Board meeting at every occurrence. An annual meeting is held with Head teachers and Chairs of Governors. Regular meetings of Head teachers and of Business Managers are also held.

The day to day management of the academies will be delegated by the Trustee Body to the respective Governing Body and Head Teacher of each school, as set down in the trusts scheme of delegation.

The Directors also comprise the Finance Committee

Huw Thomas -Accounting Officer

James Dugmore- Director

Mark Wheeler -Director

Nevine Towers - Finance Director

Yvette Hawksworth- Director

Andrew Waldron – Director

Nick Keightley – Director (appointed 19.05.2016)

The Finance committee bears the responsibilities to

- support the aims and ethos of the Trust, focussing on the quality and extent of the provision of premises and equipment
- advise the governing body on strategic priorities for the maintenance and development of the school's premises and grounds, security and Health and Safety, for inclusion in the Developing Excellence/School Improvement Plan
- establish and implement a repairs and maintenance programme, within the budget established by the governing body, and in accordance with the priorities within the Developing Excellence/School Improvement Plan
- review on an annual basis the school's Health and Safety policy, and approve any amendments as necessary
- ensure that the school complies with Health and Safety regulations, in accordance with the Health and Safety policy
- review on an annual basis the school's Lettings policy for use of school premises outside school hours and determine the level of charges for such lettings
- establish, and keep under review, an Accessibility Plan, which meets the requirements of the Disability Discrimination Act 1995 to oversee the preparation and implementation of appropriate contracts, including the cleaning, grounds maintenance and school meals and ensure Best Value principles are applied
- monitor the quality of service provided by the above in accordance with the agreed contracts
- ensure that premises insurance arrangements are adequate

#### **Arrangements for setting pay and remuneration of key management personnel**

The trust employs key management personnel to facilitate the work of the trust. The key management personnel have an annual performance management review carried out by an expert in that particular field. The findings of these reviews are then used as a foundation for remuneration discussions. The remuneration proposals are then agreed by the Local Governing Body and where applicable the Trust. The services of the Diocesan Director of Education have been rendered by the Diocese without charge for a number of years leading to 1/9/17 and the trust has budgeted to reimburse a pro-rata provision of these services thereafter.

#### **Related Parties and other Connected Charities and Organisations**

On 12/7/17 the Academy Trust engaged Wrigleys Solicitors to manage all legal aspects of forthcoming conversions. This is a completely independent organisations from the Diocese of Sheffield and therefore The Diocese of Sheffield Academies Trust (DSAT) and would not be regarded as related parties in any guise. In addition, there are no other related parties which either control or which significantly influence the decisions and operations of The Diocese of Sheffield Academies Trust (DSAT).

## **Objectives and Activities**

In accordance with the Articles of Association the charitable company has adopted a Funding Agreement approved by the Secretary of State for Education. The Funding Agreement specifies, amongst other things:

- that the school has a curriculum satisfying the requirements of section 78 of EA 2002 (balanced and broadly based curriculum) including English, mathematics and science;
- the school shall make provision for the teaching of religious education and provide a daily act of collective worship;
- that it provides education for pupils of different abilities;
- it also provides education for pupils who live within the area of the school

The aims of the trust during the year ended 31 August 2017 are summarised below.

### **Mission Statement**

The Diocese of Sheffield Academies Trust affirms and pursues the goals of the Diocese in relation to schools:

- Securing of excellence for all children, with schools meeting, and exceeding, core expectations
- Promoting strong leadership, matched by the capacity to improve leadership, within our service
- Fellowship leading to excellence, through the sharing of school-to-school development across the Diocese
- A heart for mission, offering our service beyond the Diocese through schools affiliating to and drawing upon our provision, across the wider community

In Church schools we aim to

- Promote the cultivation of Christian distinctiveness in the ethos and practice of our schools. In all our schools we seek to promote and develop shared human values that accord with our Christian principles.

### **Objectives**

- At the heart of the Diocese of Sheffield Academies Trust is the goal of providing an excellent education for every child in every academy.
- The trust aims to maintain the distinctive Diocesan identity of church schools and to provide a collegial Diocesan family for schools wishing to convert to academy status. It also provides a means of sponsorship for any schools facing enforced academy conversion.
- It operates in accordance with the following principles:
  - The Diocese of Sheffield Academies Trust affirms the concept of the parish school that is for and from the parish church and community
  - We seek to protect the autonomy of our schools, under effective leadership, and to encourage them to flourish. In educational leadership terms, the trust is committed to the integrity and autonomy of local governing bodies
  - The Trust will seek to delegate as much as it can, both in terms of responsibility and resources, to the school and local governing body. We will maintain a central operation that enables the academies to flourish but with as much as may be delegated to the schools agreed through bespoke schemes of delegation
  - The trust seeks to secure a positive, effective and communicative relationship with each of its schools
  - Through working with school leadership and business support, the Trust seeks to foster the wellbeing and development of schools from within. We also aim, with agreement with our schools, to enable and facilitate working across the Trust
  - The Trust positively encourages schools to continue to work with those local structures that are effective and worthwhile; this includes maintaining good links with local authority provision

During 2016/17 the Trust has made good progress towards its objective of ensuring pupils achieve well as a result of high quality teaching, the average combined score for KS2 was above national. Wickersley St Albans was in the top 2% in the country for KS2 whilst Flanderwell was in the top 2% for progress made.

## Public Benefit

Consideration has been given to Charity Commission guidance on public benefit when reviewing these objectives, aims and activities. The Trust will continue to provide education to children that:

- Is balanced and broadly based;
- Provides the spiritual, moral, cultural, mental and physical development of students at the Academy;
- Prepares students for the opportunities, responsibilities and experiences of later life;
- Promotes, sustains and increase individual and collective knowledge and understanding of study, skills and expertise

## Strategic Report

### Achievements and Performance

#### School Level Outcomes for the end of the Summer Term 2017

##### School Whole Trust

	Cohort	Percentage	National
<b>EYFS</b>			
A Good Level of Development	207	79%	71%
<b>Phonics</b>			
Phonics - Year 1	214	88%	81%
<b>End of Key Stage 1</b>			
% National Standard (or higher) Reading	204	74%	76%
% National Standard (or higher) Writing	204	68%	68%
% National Standard (or higher) Maths	204	81%	75%
<b>End of Key Stage 2</b>			
% National Standard (or higher) Reading	271	82%	71%
% National Standard (or higher) Writing	271	81%	76%
% National Standard (or higher) Maths	271	84%	75%
% National Standard (or higher) GPS	271	81%	77%
% National Standard (or higher) R,W&M combined	271	72%	61%

DSAT PERFORMANCE 2017		
	KS2 Combined	Cohort
<i>NATIONAL AVERAGE 2017</i>	<b>61</b>	
<b>Emmanuel</b>	<b>62</b>	45
<b>Flanderwell</b>	<b>91</b>	45
<b>Fullerton</b>	<b>53</b>	16
<b>Rossington St Michaels</b>	<b>67</b>	58
<b>St Marys</b>	<b>62</b>	30
<b>Trinity Croft</b>	<b>75</b>	16
<b>Wickersley St Albans</b>	<b>100</b>	30
<b>Aston</b>	<b>65</b>	31
<b>DSAT WHOLE</b>	<b>72</b>	<b>34</b>
<b>DSAT VS NATIONAL</b>	<b>117.8%</b>	

### **Key Performance Indicators**

During the year 2016-17 the trust continued to grow from having 7 academies to 8 with a further two schools having academy orders and scheduled to join.

The Trust took on a sponsored academy in Doncaster, St Michael's Rossington, with resultant rapid improvement in the quality of teaching.

The Trust appointed a new CEO, Andrew Waldron, making this a separate paid post

The Trust secured £872,219 in capital funds to improve the schools.

St Mary's Walkley, a sponsored academy that was in category when first engaged with the trust, secured a 'Good' grade at OFSTED inspection, making it the first sponsored academy to achieve such a grading

The Trust made an effective bid for the new Waverley Free School. Though not successful, the process that strengthened the ability to engage in major projects.

The Trust have added to the senior leadership team to meet capacity as the Trust has expanded.

### **Going Concern**

Each of the individual Academies in the Trust completes a three year financial budget plan. This plan is submitted to the Trust on an annual basis for approval. Each of the Academies are forecasting surplus budgets in year one and two. In year three all the Academies except one is forecasting a surplus position. One Academy in the Trust is forecasting a small deficit in year three. The trust has asked the Academy to review their three year forecast to prevent the deficit position materialising. The trust is also building up a central reserve in case of emergencies.

In adding one new Director to the Trust, and accounting for the ability to cover capacity lost through resignations, the trust has grown to include a director with expertise in premises and health and safety issues. With this colleague in place and the three year plans submitted from each Academy the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

### **Financial Review**

The majority of the Academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of the General Annual Grant (GAG), the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from ESFA. In accordance with the Charities Statement of Recommended Practice, these grants are shown in the SOFA as restricted income in the fixed asset fund. The Academy also receives other grants and income for items such as Pupil Premium, Special Needs and Teaching School funding. In the year ended 31<sup>st</sup> August 2017, the Academy was successful in being awarded funding totalling £872,219 for Condition Improvement Funding projects and these have been reflected in the Statement of Financial Activities. In accordance with SORP (Statement of Recommended Practice) these items are shown as restricted funding. The Academy also receives unrestricted funds which include donations, facility hire and other services.

During the year ended 31<sup>st</sup> August 2017, total expenditure was £8,876,000. The net income over expenditure was £372,000. Expenditure incurred has supported the key objectives of the academy trust.

At 31<sup>st</sup> August 2017 the net book value of fixed assets was £6,552,000. Details of movements are in Note 12 to the accounts.

The deficit on the Local Government Pension Scheme, in which the academy participates, amounted to £4,456,000 at 31<sup>st</sup> August 2017. This is an increase of £637,000 from the 2016 deficit.

The academy trust had total fund balances of £3,789,000 at 31<sup>st</sup> August 2017 of which £522,000 were unrestricted funds and £3,267,000 of restricted funds.

The trust has set a budget projected over three years in which it is anticipated it will make a surplus.



### **Reserves Policy**

Individual Academies within the trust are expected to hold contingency reserves from their annual GAG funding or other income.

The Trustees require a revenue reserve to be created to fund future expenditure related to the Academy Development Plan's strategic long-term aims and developments.

The Business Manager, in conjunction with the Head teacher, is responsible for ensuring compliance with The Diocese of Sheffield Academies Trust Policies and Procedures.

The trust requires each academy to carry forward a prudent level of resources designed to meet the long-term cyclical needs of renewal and any other unforeseen contingencies, subject to the constraint that the level of resources does not exceed the level permitted by the DfE.

The Trust held general fund balances totalling £1,648,000 as at 31<sup>ST</sup> August 2017.

### **Investment Policy**

The trust has no investments and retains funds in a central account.

### **Principal Risks and Uncertainties**

The trust maintains an up-to-date risk register and business continuity plan.

The principal risks and uncertainties facing the trust are as follows:

#### **Strategic:**

- an academy in the trust receiving a negative OfSTED outcome – mitigated by shared development between academies and monitoring arrangements for the trust
- uncontrollable events e.g. fire, flood – mitigated by renewal of insurance with RPA
- change in Government policy – mitigated by links with the National Society and use of Wrigleys Solicitors for advice and support

#### **Financial:**

- inaccurate or insufficient information – mitigated by regular financial reporting to the trust
- poor cash flow or limited reserves – mitigated by monthly bank reconciliations, budget monitoring and production of cash flow forecasts and academy reserves
- unsuitable financial systems – mitigated by expert advice and training to ensure systems meet trust requirements

#### **Plans for Future Periods**

- The Trust now plans to grow by five schools in the coming year.
- The Trust retains openness towards approaches from schools wishing to join or being required to join, by the DfE.
- The Trust has secured single provision for HR and Payroll and also provided a single route for schools to engage in capital programmes.
- The Trust has received a request from a Doncaster school, with which we have worked significantly, improving the school, to join The Diocese of Sheffield Academies Trust. The nature of the buildings is a concern to the trust and this has been returned as an issue to the local authority.
- The growth of the Diocese of Sheffield Academies Trust will facilitate a restructure of Trustee and Executive Management responsibility allowing for clear lines of demarcation.

#### **Auditor**

The Trust's auditor is Smith Craven Chartered Accountants.

Insofar as the Trustees are aware there is no relevant audit information of which the charitable company's auditor is unaware and the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 6<sup>th</sup> December 2017 and signed on the board's behalf by:

  
**Huw Thomas**  
Trustee

# The Diocese of Sheffield Academies Trust (DSAT): Governance Statement

## Scope of Responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that The Diocese of Sheffield Academies Trust (DSAT) has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of Trustees has delegated the day-to-day responsibility to the Diocesan Director of Education for the Diocese of Sheffield, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Diocese of Sheffield Academies Trust (DSAT) and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

## Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of Trustees has formally met 7 times during the year. Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Attendance	Out of a possible
Andrew Waldron	7	7
Andy Brewerton*	0	1
Huw Thomas	6	7
Jim Dugmore	7	7
Mark Wheeler	6	7
Nevine Towers	7	7
Yvette Hawksworth	6	7
Nick Keightley	5	7

\* formally resigned from The Diocese of Sheffield Academy Trust 4<sup>th</sup> October 2016

**Review of Governance:** In 2015 the trust reviewed its governance capacity and invited a new director to the board with expertise in health and safety and premises. He is also a parent at one of our schools.

The Director Board functions as the finance and general purposes committee board of trustees. Its purpose is to:

- support the aims and ethos of the Trust, focussing on the quality and extent of the provision of premises and equipment
- advise the governing body on strategic priorities for the maintenance and development of the school's premises and grounds, security and Health and Safety, for inclusion in the Developing Excellence/School Improvement Plan
- establish and implement a repairs and maintenance programme, within the budget established by the governing body, and in accordance with the priorities within the Developing Excellence/School Improvement Plan
- review on an annual basis the school's Health and Safety policy, and approve any amendments as necessary
- ensure that the school complies with Health and Safety regulations, in accordance with the Health and Safety policy
- review on an annual basis the school's Lettings policy for use of school premises outside school hours and determine the level of charges for such lettings
- establish, and keep under review, an Accessibility Plan, which meets the requirements of the Disability Discrimination Act 1995 to oversee the preparation and implementation of appropriate contracts, including the cleaning, grounds maintenance and school meals and ensure best value principles are applied
- monitor the quality of service provided by the above in accordance with the agreed contracts
- ensure that premises insurance arrangements are adequate

## **Review of Value for Money**

As Accounting Officer Huw Thomas has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. Through the work of the trust and its Finance Directors the Accounting Officer for the Academy Trust has delivered improved value for money during the year by reviewing arrangements for financial management of the trust and utilising the capacity within the trust, consolidating arrangements for audit and reviewing bought-in services procured by individual academies.

The Board has secured value for money through actions such as:

- the commissioning of a building manager contracted to work across all schools, leading to a reduction in cost
- the appointment of Wrigley Solicitors as Legal support service to all schools within the Trust
- the securing of RPA insurance from 1/9/14, leading to savings on items such as Trustee liability insurance
- HR & Payroll Services have been procured from one provider rather than two separate entities. This has led to a substantial cost saving of fifteen thousand pounds for the trust.
- A number of Academies within the Trust have also changed their school meals provider. This process has led to a large saving across the Academies within the Trust, the benefit of which will be felt 16/17.
- Appointment of a CEO to develop capacity and drive forward change within the Trust
- Appointment of an internal person to carry out Head Teacher Performance Management Reviews

## **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in The Diocese of Sheffield Academies Trust (DSAT) Academy Trust for the period 1<sup>st</sup> February 2015 to 31 August 2017 and up to the date of approval of the annual report and financial statements. The process of internal control has been monitored and reviewed by the appointment of two Responsible Officers. The Responsible Officers have conducted three visits at each of the Academies within the Trust in the year ending 31/08/17. During these visits all major areas of financial control were investigated and tested. This included testing a sample of all income due to the Academies. Expenditure was also tested including a sample of payroll transactions. Reports and minutes of trustees meetings were also reviewed to ensure they were suitable and sufficient. Subsequent responsible officer visits are planned for next financial year.

## **Capacity to Handle Risk**

The board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 01<sup>st</sup> September 2016 to 31<sup>st</sup> August 2017 and up to the date of approval of the annual report and financial statements. On 19<sup>th</sup> September 2017 the Board approved a full risk register. The risk register is reviewed on an annual basis to ensure it is up to date and contains current risks to the trust.

## The Risk and Control Framework

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

- comprehensive budgeting setting and budget monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees.
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The board of Trustees have considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trust have appointed a Responsible Officer to carry out the roles and duties very similar to that of internal audit. Nevine Towers and Christopher Harris have been appointed to this role. Through the course of the year the Responsible Officers have conducted three reviews of internal controls at each of the Academies within the trust to ensure that internal controls are in place and working efficiently and effectively.

The Responsible Officers have conducted internal testing on the main areas of income and expenditure at each Academy. They firstly looked at the income from the ESFA to ensure this was correctly coded in the system and reconciled on the bank statement. Payments to the payroll provider were checked for accuracy. A selection of staff were also selected to ensure they had been paid the correct amount for their respective grades and hours. Contracts were also checked. Where required recommendations were made to improve and develop the robustness of the internal controls

On a Termly basis, the Responsible Officers report to the Board of Trustees, through the finance and general purposes committee on the operation of the systems of control across the trust and on the discharge of the board of trustees' financial responsibilities.

### Review of Effectiveness

As Accounting Officer the Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of Nevine Towers, the reviewer
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the **finance and general purposes committee** and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of Trustees on 6<sup>th</sup> December 2017 and signed on its behalf by:



**Nevine Towers**  
Trustee



**Huw Thomas**  
Accounting Officer

## **The Diocese of Sheffield Academies Trust (DSAT) Statement of Regularity, Propriety and Compliance**

As Accounting Officer of The Diocese of Sheffield Academies Trust (DSAT) I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of Trustees and ESFA



**Huw Thomas**  
Accounting Officer

Date: 6<sup>th</sup> December 2017

# The Diocese of Sheffield Academies Trust (DSAT)

## Statement of Trustees' Responsibilities

The Trustees who act as governors of The Diocese of Sheffield Academies Trust (DSAT) and are also the directors of the charitable company for the purposes of company law are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 6<sup>th</sup> December 2017 and signed on its behalf by:



**Huw Thomas**  
Trustee

# The Diocese of Sheffield Academies Trust (DSAT)

## Independent Auditor's Report on the Financial Statements to the Members of The Diocese of Sheffield Academies Trust

### Opinion

We have audited the financial statements of The Diocese of Sheffield Academies Trust for the year ended 31 August 2017, which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements including a summary of significant accounting policies. The Financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency (ESFA).

This report is made solely to the academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland';
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- Have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2016 to 2017.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **Independent Auditor's Report on the Financial Statements to the Members of The Diocese of Sheffield Academies Trust (continued)**

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the statement of Trustees Responsibilities set out on page sixteen, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.



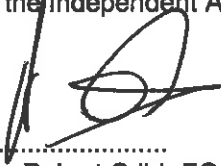
# The Diocese of Sheffield Academies Trust (DSAT)

## Independent Auditor's Report on the Financial Statements to the Members of The Diocese of Sheffield Academies Trust (continued)

### Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the independent Auditors that includes our opinion. Reasonable assurance is high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description our responsibilities for the audit of the financial statements is located on the Financial Reporting Councils website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.



.....  
Mr Andrew Robert Cribb FCA (Senior Statutory Auditor)

For and on behalf of

**Smith Craven**  
Chartered Accountants  
Statutory Auditors

Sidings House  
Sidings Court  
Doncaster  
South Yorkshire  
DN4 5NU

Date.....

14/12/2017

# The Diocese of Sheffield Academies Trust (DSAT)

## Independent Reporting Accountant's Report on Regularity to The Diocese of Sheffield Academies Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 31 May 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Diocese of Sheffield Academies Trust during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to the Board of Trustees and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to the Board of Trustees and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Trustees and the ESFA, for our work, for this report, or for the conclusion we have formed.

### Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Board of Trustees' funding agreement with the Secretary of State for Education dated June 2014 and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the Education & Skills Funding Agency. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

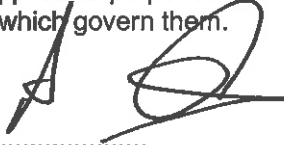
The work undertaken to draw to our conclusion includes:

- Ensuring value for money is sought for all goods/services procured by the academy, including those procured from related parties of the academy.
- Ensuring that fixed asset additions are made in line with the terms of the funding received and that fixed asset disposals are properly authorised by the Dfe
- Ensuring that expenditure incurred through the academy bank account and debit card is appropriate for the purposes of the academy and that there has been no personal expenditure from the academy's funds.
- Ensuring pension contributions are paid to the respective schemes in a timely manner.
- Ensuring returns required by regulatory or funding authorities are completed on a timely basis.

**Independent Reporting Accountant's Report on Regularity to The Diocese of Sheffield Academies Trust and the Education Funding Agency (continued)**

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



.....  
Mr Andrew Robert Cribb FCA

For and on behalf of

**Smith Craven**  
Chartered Accountants  
Reporting Accountants

Sidings House  
Sidings Court  
Doncaster  
South Yorkshire  
DN4 5NU

Date.....14/12/2017.....

**The Diocese of Sheffield Academies Trust (DSAT)**  
**Statement of Financial Activities for the year ended 31 August**  
**2017** (including Income and Expenditure Account)

	Notes	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2017 £000	Total restated 2016 £000
<b>Income and endowments from:</b>						
Donations and capital grants	2	87	1,142	151	1,380	1,388
Charitable activities:						
Funding for the academy trust's educational operations	3	7	7,265	-	7,272	6,143
Other trading activities	4	220	-	-	220	206
Investment income	5	4	-	-	4	3
<b>Total</b>		<u>318</u>	<u>8,407</u>	<u>151</u>	<u>8,876</u>	<u>7,740</u>
<b>Expenditure on:</b>						
Transfer from local authority on conversion		-	780	(729)	51	-
Charitable activities:						
Academy trust educational operations	6, 7	314	7,075	76	8,318	7,268
Governance Costs		-	135	-	135	89
<b>Total resources expended</b>		<u>314</u>	<u>8,843</u>	<u>(653)</u>	<u>8,504</u>	<u>7,357</u>
<b>Net incoming / (outgoing) resources</b>		<u>4</u>	<u>(436)</u>	<u>804</u>	<u>372</u>	<u>383</u>
<b>Other recognised gains and losses</b>						
Actuarial gains (losses) on defined benefit pension schemes		-	390	-	390	(1,608)
<b>Net movement in funds</b>		<u>4</u>	<u>(46)</u>	<u>804</u>	<u>762</u>	<u>(1,225)</u>
<b>Reconciliation of funds</b>						
Total funds brought forward		<u>518</u>	<u>(3,284)</u>	<u>5,793</u>	<u>3,027</u>	<u>4,252</u>
Total funds carried forward		<u>522</u>	<u>(3,330)</u>	<u>6,597</u>	<u>3,789</u>	<u>3,027</u>

# The Diocese of Sheffield Academies Trust (DSAT)

## Balance Sheet as at 31 August 2017

Company Number: 8745639

	Notes	2017 £000	2017 £000	2016 as restated £000	£000
<b>Fixed Assets</b>					
Tangible assets	12		6,552		5,715
<b>Current assets</b>					
Debtors	13	527		233	
Cash at bank and in hand		<u>1,891</u>		<u>1,956</u>	
		<b>2,418</b>		<b>2,189</b>	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	14	<u>(713)</u>		<u>(1,044)</u>	
<b>Net current assets</b>			<u>1,705</u>		<u>1,145</u>
<b>Total assets less current liabilities</b>			<b>8,257</b>		<b>6,860</b>
Creditors: Amounts falling due after more than one year	15		<u>(12)</u>		<u>(14)</u>
<b>Net assets excluding pensions liability</b>			<u>8,245</u>		<u>6,846</u>
Pension scheme liability	25		<u>(4,456)</u>		<u>(3,819)</u>
<b>Total net assets</b>			<u>3,789</u>		<u>3,027</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>					
Fixed asset fund	16	6,597		5,793	
General fund		1,126		535	
Pensions reserve	25	<u>(4,456)</u>		<u>(3,819)</u>	
<b>Total restricted funds</b>			<b>3,267</b>		<b>2,509</b>
<b>Unrestricted income funds</b>					
General fund		<u>522</u>		<u>518</u>	
<b>Total unrestricted funds</b>			<u>522</u>		<u>518</u>
<b>Total funds</b>			<u>3,789</u>		<u>3,027</u>

The financial statements on pages 21 to 42 were approved by the trustees and authorised for issue on 6<sup>th</sup> December 2017 and are signed on their behalf by:



**Huw Thomas**  
Trustee

## The Diocese of Sheffield Academies Trust (DSAT) Cash Flow Statement for the year ended 31 August 2017

	Notes	2017 £000	2016 £000
<b>Cash flows from operating activities</b>			
Net cash provided by (used in) operating activities	20	(959)	92
<b>Cash flows from financing activities</b>	21	(2)	(4)
<b>Cash flows from investing activities</b>	22	896	1,000
<b>Change in cash and cash equivalents in the reporting period</b>		<u>(65)</u>	<u>1,088</u>
<b>Cash and cash equivalents at 1 September 2016</b>		<b>1,956</b>	<b>868</b>
<b>Cash and cash equivalents at 31 August 2017</b>	23	<u><b>1,891</b></u>	<u><b>1,956</b></u>

All of the cash flows are derived from acquisitions in the current financial period.

# The Diocese of Sheffield Academies Trust (DSAT)

## Notes to the Financial Statements for the year ended 31 August 2017

### 1 Statement of Accounting Policies

#### Basis of Preparation of the Financial Statements

The financial statements of The Multi Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities, Statement of Recommended Practice applicable to charities preparing their accounts in accordance the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

DSAT meets the definition of a public benefit entity under FRS 102.

#### Going Concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Pupil Premium is recognised in the period of entitlement. Where entitlement occurs before income is received the income is accrued.

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they were expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

- **Sponsorship Income**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

- **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

# The Diocese of Sheffield Academies Trust (DSAT)

## Notes to the Financial Statements for the year ended 31 August 2017

### 1 Statement of Accounting Policies (continued)

- **Other income**  
Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.
- **Donated goods, facilities and services**  
Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

#### Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Expenditure on Raising Funds**  
This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading..
- **Charitable Activities**  
These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

#### Tangible Fixed Assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Seven of the school premises which the Academy Trust occupies are on a long term lease to the Academy Trust from the Diocese. Control over the school premises leased from the Diocese remains with the Diocese and so this element is not recognised on the balance of the Academy Trust. This treatment has led to a prior year adjustment, the details of which can be found at note 19.

For church school premises that are not on the balance sheet the Accounts Direction requires that an annual donation for rent should be recognised equal to what the Academy Trust would have to pay to secure premises, if such a figure can be reliably measured. Since there is no open market for such transactions this amount can not be reliably measured and so no donation has been recognised. Property expenditure on such premises are recognised as expenditure in the Statement of Financial Activity.



# The Diocese of Sheffield Academies Trust (DSAT)

## Notes to the Financial Statements for the year ended 31 August 2017

### 1 Statement of Accounting Policies (continued)

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Land occupied under long term leases of 125 years for nil rental are recognised in the academy trust accounts represented by the fair value of the "right to use" rather than the freehold.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Land and buildings	125 years over the lease term
Fixtures, fittings and equipment	5 years
ICT equipment	3 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

#### Transfers on conversion

Transferred assets on conversion are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the trust. An equal amount of income(expenditure) is recognised for the Transfer on conversion in the Statement of Financial Activity.

#### Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods of services it must provide.

#### Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

#### Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

# The Diocese of Sheffield Academies Trust (DSAT)

## Notes to the Financial Statements for the year ended 31 August 2017

### 1 Statement of Accounting Policies (continued)

#### Financial Instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

*Financial assets* – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 14 and 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

#### Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### Pensions Benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 27, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities

# The Diocese of Sheffield Academies Trust (DSAT)

## Notes to the Financial Statements for the year ended 31 August 2017

### 1 Statement of Accounting Policies (continued)

and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

#### Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education & Skills Funding Agency/Department for Education.

#### Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### *Critical accounting estimates and assumptions*

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

##### *Critical areas of judgement*

Trustees have reviewed the financial statements and the basis of their preparation and have concluded that there are no critical areas of judgement which may have a material impact on the amounts recognised in the financial statements.

**The Diocese of Sheffield Academies Trust (DSAT)**  
**Notes to the Financial Statements for the year ended 31 August**  
**2017**

**2 Donations and Capital Grants**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2017</b>	<b>Total restated 2016</b>
	£000	£000	£000	£000
Capital Grants	-	1,226	<b>1,226</b>	1,232
Other Donations	87	67	<b>154</b>	156
	<u>87</u>	<u>1,293</u>	<u><b>1,380</b></u>	<u>1,388</u>
Total 2016	<u>43</u>	<u>1,345</u>	<u><b>1,388</b></u>	

**3 Funding for the Academy Trusts Educational Operations**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2017</b>	<b>Total restated 2016</b>
	£000	£000	£000	£000
<b>DfE / EFA grants</b>				
General Annual Grant (GAG)	-	5,572	<b>5,572</b>	5,024
Other DfE/EFA Grants	-	1,298	<b>1,298</b>	639
	<u>-</u>	<u>6,870</u>	<u><b>6,870</b></u>	<u>5,663</u>
<b>Other Government grants</b>				
Local authority grants	-	58	<b>58</b>	280
Special educational projects	7	337	<b>344</b>	200
	<u>7</u>	<u>395</u>	<u><b>402</b></u>	<u>480</u>
	<u>7</u>	<u>7,265</u>	<u><b>7,272</b></u>	<u>6143</u>
Total 2016	<u>-</u>	<u>6,143</u>	<u><b>6,143</b></u>	

**4 Other Trading Activities**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2017</b>	<b>Total restated 2016</b>
	£000	£000	£000	£000
Hire of Facilities	14	-	<b>14</b>	34
Other Income	206	-	<b>206</b>	172
	<u>220</u>	<u>-</u>	<u><b>220</b></u>	<u>206</u>
Total 2016	<u>200</u>	<u>6</u>	<u><b>206</b></u>	

**The Diocese of Sheffield Academies Trust (DSAT)**  
**Notes to the Financial Statements for the year ended 31 August**  
**2017**

**5 Investment Income**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2017</b>	<b>Total restated 2016</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Interest	4	-	4	3
	<u>4</u>	<u>-</u>	<u>4</u>	<u>3</u>
<b>Total 2016</b>	<u>3</u>	<u>-</u>	<u>3</u>	

**6 Expenditure**

	<b>Staff Costs</b>	<b>Non Pay Premises</b>	<b>Expenditure Other</b>	<b>Total 2017</b>	<b>Total restated 2016</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Academies educational operations					
Direct costs	4,760	20	707	5,487	4,991
Allocated support costs	942	311	1,578	2,831	2,277
	<u>5,702</u>	<u>331</u>	<u>2,285</u>	<u>8,318</u>	<u>7,268</u>

	<b>Total 2017</b>	<b>Total 2016</b>
	<b>£000</b>	<b>£000</b>
Net income/(expenditure) for the period includes		
Operating lease rentals	14	17
Depreciation	76	245
Fees payable to Auditor for:		
- audit	10	15
- other services	8	-
	<u>108</u>	<u>277</u>

**7 Charitable Activities**

	<b>Total 2017</b>	<b>Total restated 2016</b>
	<b>£000</b>	<b>£000</b>
<b>Direct costs – educational</b>	<b>5,487</b>	<b>4,991</b>
<b>Support costs – educational</b>	<b>2,831</b>	<b>2,277</b>
	<u><b>8,318</b></u>	<u><b>7,268</b></u>

# The Diocese of Sheffield Academies Trust (DSAT)

## Notes to the Financial Statements for the year ended 31 August 2017

### Analysis of Support Costs

Support staff costs	942	885
Premises costs	1,492	916
Other Support Costs	397	476
<b>Total support costs</b>	<b>2,831</b>	<b>2,277</b>

8

### a. Staff costs

	<b>Total 2017 £000</b>	<b>Total 2016 £000</b>
Staff costs during the period were:		
Wages and salaries	4,387	3,962
Social security costs	390	298
Operating costs of defined benefit pension schemes	797	713
	<u>5,574</u>	<u>4,973</u>
Supply staff costs	89	114
Staff restructuring costs	39	-
	<u>5,702</u>	<u>5,087</u>

### b. Staff numbers

The average number of persons employed by the academy during the year was as follows:

	<b>2017 No.</b>	<b>2016 No.</b>
Teachers	69	65
Administration and support	145	137
Management	6	5
	<u>220</u>	<u>207</u>

### c. Higher paid staff

	<b>2017 No.</b>	<b>2016 No.</b>
£60,001-£80,000	-	-
£80,001-£90,000	2	2
	<u>2</u>	<u>2</u>

The above employees participated in the Teacher Pension Scheme (TPS). During the year ended 31st August 2017 employer contributions for these staff amounted to £30,525 (2016: £27,627.)

# The Diocese of Sheffield Academies Trust (DSAT)

## Notes to the Financial Statements for the year ended 31 August 2017

### d. Key management personnel

The key management personnel of the academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy Trust was £486,427 (2016: £471,585).

### 9 Related Party Transactions - Governors' Remuneration and Expenses

The head teacher and other staff Trustees only receive remuneration in respect of their roles as head teacher and staff, and not in respect of their services as trustees. The value of trustees' remuneration was as follows:

#### M Wheeler (Principal & Trustee):

Remuneration	£85,000 - £90,000	(2016: £85,000 - £90,000)
Employers pensions contributions	£15,000 - £20,000	(2016: £10,000 - £15,000)

#### N Towers (Staff Trustee):

Remuneration	£35,000 - £40,000	(2016: £35,000 - £40,000)
Employers pensions contributions	£0,000 - £5,000	(2016: £0,000 - £5,000)

#### Y Hawksworth (Staff Trustee):

Remuneration	£35,000 - £40,000	(2016: £25,000 - £30,000)
Employers pensions contributions	£0,000 - £5,000	(2016: £0,000 - £5,000)

During the period ended 31<sup>st</sup> August 2017, no travel and subsistence expenses were reimbursed or paid directly to Trustees, (2016: nil).

Mr M. Wheeler and C. Garbutt are employed by three primary schools, one of which is a Local Authority maintained school (Kilnhurst St Thomas C of E Primary). During the year ended 31<sup>st</sup> August 2017 £113,098 of their salary costs were recharged to Kilnhurst St Thomas. (2016: £35,723)

### 10 Trustees' and Officers' Insurance

The Academy Trust has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and Officers indemnity element from the overall cost of the RPA scheme.

### 11 Central Services

The Academy Trust has provided the following central services to its academies during the year:

Legal services  
Insurance services  
Finance and Accountancy  
Audit of Financial Accounts

The Trust charges for these services on the following basis:

# The Diocese of Sheffield Academies Trust (DSAT)

## Notes to the Financial Statements for the year ended 31 August 2017

### 11 Central Services (continued)

Each academy contributes 1.9% of its GAG Allocation. The actual amounts charged during the year were as follows:

	<b>Total 2017 £000</b>	<b>Total 2016 £000</b>
Aston All Saints Primary	15	15
Emmanuel Junior	15	14
Flanderwell Primary	21	19
St Mary's Primary	13	13
Thrybergh Fullerton Primary	10	10
Trinity Croft Junior Infant	10	9
Wickersley St Albans Primary	15	15
Rossington St Michaels Junior Infant	6	-
	<u>105</u>	<u>95</u>

### 12 Tangible Fixed Assets

	<b>Leasehold Land and Buildings £000</b>	<b>Furniture and Equipment £000</b>	<b>Computer Hardware £000</b>	<b>Total £000</b>
<b>Cost</b>				
At 1 September 2016	5,804	57	169	6,030
Transfer on conversion	715	3	11	729
Additions	138	8	37	183
Disposals	-	-	-	-
At 31 August 2017	<u>6,657</u>	<u>68</u>	<u>217</u>	<u>6,942</u>
<b>Depreciation</b>				
At 1 September 2016	180	22	113	315
Charged in year	21	13	41	75
Disposals	-	-	-	-
At 31 August 2017	<u>201</u>	<u>35</u>	<u>154</u>	<u>390</u>
<b>Net book values</b>				
At 31 August 2016	5,624	35	56	5,715
At 31 August 2017	<u>6,456</u>	<u>33</u>	<u>63</u>	<u>6,552</u>



# The Diocese of Sheffield Academies Trust (DSAT)

## Notes to the Financial Statements for the year ended 31 August 2017

<b>13 Debtors</b>	<b>Total 2017 £000</b>	<b>Total 2016 £000</b>
Trade Debtors	7	11
VAT Recoverable	83	101
Prepayments and accrued income	437	121
	<u>527</u>	<u>233</u>
<b>14 Creditors: Amounts falling due within 1 year</b>	<b>Total 2017 £000</b>	<b>Total 2016 £000</b>
Trade creditors	270	501
Taxation and social security	106	87
Other creditors	96	66
Accruals and deferred income	241	390
	<u>713</u>	<u>1,044</u>
<b>Deferred Income included above :</b>	<b>Total 2017 £000</b>	<b>Total 2016 £000</b>
Deferred Income since 1 September 2016	119	101
Resources deferred in year	163	119
Amounts released from previous years	(119)	(101)
Deferred Income at 31 August 2017	<u>163</u>	<u>119</u>

At the balance sheet date the Academy Trust was holding funds received in advance for the following:

- Universal infant free school meals funding for the academic year commencing September 2017.
- Early Years and SEN top up funding from the LA allocated to the end of March 2018
- Rates Relief from the ESFA covering NNDR bills to March 2018
- Parental contributions to school trips collected in advance.

# The Diocese of Sheffield Academies Trust (DSAT)

## Notes to the Financial Statements for the year ended 31 August 2017

15 Creditors: Amounts falling due after more than 1 year	Total 2017 £000	Total 2016 £000
Other creditors	12	14
	<u>12</u>	<u>14</u>

Included within other creditors is borrowing obligations of £11,720 transferred from the Local Authority on conversion in relation to two loans to renew lighting at Emmanuel Junior prior to conversion. The repayment of the loans will complete in January 2020.

### 16 Prior Year Adjustment

The 2016/17 Academies Accounts Direction provided new guidance on the recognition criteria of church school premises depends on whether the Academy Trust's rights over the premises meet the definition of an asset, principally by having regard to whether the Diocese or the Academy Trust has control over access and control over works.

Following review of the underlying agreements with the Diocese in accordance with the new guidance, the Diocese rather than the Academy Trust is considered to have control and so that part of the church school premises is no longer held on the balance sheet of the Academy Trust. This represents a change in prior year treatment when the guidance in the previous Academies Accounts Direction resulted in the church school premises being on the Academy Trust's balance sheet, when land and buildings at a deemed cost of £9,252,500 were capitalised on conversion along with £544,242 further leasehold improvements.

A prior year adjustment has therefore been processed during the preparation of the 31 August 2017 accounts to remove the land and buildings and the leasehold improvements from the balance sheet.

The removal of these items has impacted on the opening balance sheet of the comparative year (01 September 2015) as follows:

- 1) Cost of fixed assets brought forward reduced by £9,797,000;
- 2) Depreciation of fixed assets brought forward reduced by £344,000;
- 3) The following restricted fixed assets funds brought forward by £9,453,000

The removal of these items has impacted on the 31 August 2016 in year transactions reported in last year's accounts as follows:

- 1) Reduction in depreciation charges of £295,000;
- 2) The carried forward reserves within the restricted fixed assets fund at 31 August 2016 have been restated as follows £5,927,000

# The Diocese of Sheffield Academies Trust (DSAT)

## Notes to the Financial Statements for the year ended 31 August 2017

### 17 Funds

	Balance at 1 September 2016 as restated	Incoming Resources	Resources Expended	Gains, Losses and Transfers	Balance at 31 August 2017
	£000	£000	£000	£000	£000
<b>Restricted general funds</b>					
General annual Grant (GAG)	55	5,572	(5,204)	-	423
Pupil Premium	-	452	(452)	-	-
Other DfE/ESFA Grants	-	846	(846)	-	-
Other	-	513	(513)	-	-
Capital grants	494	1,075	(854)	-	715
Borrowing Obligations	(14)	2	-	-	(12)
Pensions Reserve	(3,819)	(780)	(247)	390	(4,456)
	<u>(3,284)</u>	<u>7,678</u>	<u>(8,114)</u>	<u>390</u>	<u>(3,330)</u>
<b>Restricted fixed asset funds</b>					
Dfe/ESFA capital grants	605	151	(21)	-	735
Capital expenditure from GAG	38	-	-	-	38
Assets Inherited from LA	14,603	729	(55)	-	15,277
Prior year adjustment	(9,453)	-	-	-	(9,453)
	<u>5,793</u>	<u>880</u>	<u>(76)</u>	<u>-</u>	<u>6,597</u>
<b>Total restricted funds</b>	<u>2,509</u>	<u>8,558</u>	<u>(8,190)</u>	<u>390</u>	<u>3,267</u>
<b>Unrestricted funds</b>					
Unrestricted funds	518	318	(314)	-	522
<b>Total unrestricted funds</b>	<u>518</u>	<u>318</u>	<u>(314)</u>	<u>-</u>	<u>522</u>
<b>Total funds</b>	<u>3,027</u>	<u>8,876</u>	<u>(8,504)</u>	<u>390</u>	<u>3,789</u>

**General Annual Grant (GAG):** this is the academy's principal funding stream from the Education & Skills Funding Agency. The funding must be used for the running of the school and for the benefit of the pupils. The use of the grant is governed by the terms and conditions set out in the Funding Agreement. The Trust received £5,572,000 of which £424,000 remains unspent.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

**Other DfE/ESFA Grants:** the Trust received additional revenue grant funding from the ESFA including the following:

PE Sports Grant of £63,000 to help promote sports and physical activity in schools.

# The Diocese of Sheffield Academies Trust (DSAT)

## Notes to the Financial Statements for the year ended 31 August 2017

### 17 Funds (continued)

Pupil Premium of £452,000 to help raise attainment amongst pupils considered socially deprived. This funding is allocated on the basis of eligibility for free school meals.

Universal Infant Free School Meals Grant £174,000 to support schools in delivering the offer of free school meals to all pupils in year groups reception, year 1 and year 2.

A £50,000 ESFA central government grant was received for general growth of the Trust and a £85,000 School improvement grant was received for St Michaels school conversion.

During the year ended 31<sup>st</sup> August 2017 the Diocese of Sheffield Academies Trust was awarded £872,219 in Capital Improvement Funding (CIF) from the ESFA to fund projects across 4 of the 8 schools within the Trust. The individual projects are as follows:

- Partial rewire work at Fullerton Primary
- Kitchen refurbishment and gas works and Flanderwell Primary
- Boiler replacement and heating repairs at Aston All Saints
- Re-roof and fascia replacement at Emmanuel Juniors.

In addition, during the year an emergency bid was approved by the ESFA for a new boiler at Emmanuel. The previous bid in 2015/16 for these works were unsuccessful.

**Other Restricted Income:** the Trust received income from the Local Authority including:

£271,000 Early Years funding, £52,000 SEN funding and £5,000 Looked After Children Pupil Premium funding.

**Pension Reserve:** on conversion each school within the Trust inherited a share of the Local

Government Pension Scheme (LGPS) liability. The liability for each school as at 31<sup>st</sup> August 2017 is valued as follows:

Aston All Saints Primary	– £526,000
Emmanuel Juniors	– £532,000
Flanderwell Primary	– £758,000
St Mary's Primary	– £548,000
Thrybergh Fullerton Primary	– £364,000
Trinity Croft Junior and Infants	– £283,000
Wickersley St Albans Primary	– £655,000
Rossington St Michaels	– £790,000

For the year ended 31<sup>st</sup> August 2017 a net interest expense of £247,000 was recognised within expenditure and an actuarial gain of £390,000 was recognised under other gains and losses. At 31<sup>st</sup> August 2017 the pension deficit stood at £4,456,000.

# The Diocese of Sheffield Academies Trust (DSAT)

## Notes to the Financial Statements for the year ended 31 August 2017

### 17 Funds (continued)

**DfE/ESFA Capital Grants:** the following capital grants from the ESFA included:

Academies Conditional Improvement Funding of £872,219 was received by the Trust see note 12, this includes the £89,000 emergency funding claim

The Trust also received non ESFA funding of £20,000 from Emmanuel Church towards the replacement of the boiler.

**Unrestricted Funds:** the academy trust held £522,000 in unrestricted funding at 31<sup>st</sup> August 2017.

These funds may be used towards meeting any of the charitable objectives of the trust at the discretion of the trustees.

#### Analysis of academies by fund balance

Fund balances as at 31<sup>st</sup> August 2017 were allocated as follows:

	<b>Total 2017 £000</b>	<b>Total 2016 £000</b>
Aston All Saints Primary	(36)	(24)
Emmanuel Junior	21	25
Flanderwell Primary	157	154
St Mary's Primary	78	45
Thrybergh Fullerton Primary	101	86
Trinity Croft Junior and Infant	150	127
Wickersley St Albans Primary	109	87
Rossington St Michaels Junior and Infant	126	-
Central Services	227	59
<b>Total before fixed asset and pension reserve</b>	<b>933</b>	<b>559</b>
Capital grants unspent	732	494
Restricted fixed asset fund	6,580	5,793
Pension reserve	(4,456)	(3,819)
<b>Total</b>	<b>3,789</b>	<b>3,027</b>

# The Diocese of Sheffield Academies Trust (DSAT)

## Notes to the Financial Statements for the year ended 31 August 2017

### 17 Funds (continued)

#### Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Other Support Staff Costs	Educational Supplies	Other Costs (excluding capital and depreciation)	Total 2017	Total 2016
	£000	£000	£000	£000	£000
Aston All Saints Primary	94	52	176	940	932
Emmanuel Junior	163	26	162	961	972
Flanderwell Primary	175	62	299	1,520	1,321
St Mary's Primary	159	40	159	844	900
Thrybergh Fullerton Primary	88	46	116	798	696
Trinity Croft Junior and Infant	86	85	132	772	671
Wickersley St Albans Primary	137	72	190	1,172	1,043
Rossington St Michaels Junior	40	5	100	415	-
Central Services	-	-	102	102	64
<b>Academy Trust</b>	<b>942</b>	<b>388</b>	<b>1,412</b>	<b>7,524</b>	<b>6,599</b>

### 18 Analysis of Net Assets between

	Unrestricted Funds	Other Restricted Funds	Restricted Fixed Asset Funds	Total Funds
	£000	£000	£000	£000
Tangible fixed assets	-	-	6,552	6,552
Current assets	522	1,851	45	2,418
Current liabilities	-	(713)	-	(713)
Long term liabilities	-	(12)	-	(12)
Pension scheme liability	-	(4,456)	-	(4,456)
<b>Total net assets</b>	<b>522</b>	<b>(3,330)</b>	<b>6,597</b>	<b>3,789</b>

# The Diocese of Sheffield Academies Trust (DSAT)

## Notes to the Financial Statements for the year ended 31 August 2017

### 19 Capital Commitments

	<b>2017</b>	2016
	<b>£000</b>	£000
Committed to from grant funding , but not provided in the financial statements	<b>732</b>	494

### 20 Financial Commitments

#### Operating Leases

At 31 August 2017 the academy trust had annual commitments under non-cancellable operating leases as follows:

	<b>2017</b>	2016
	<b>£000</b>	£000
Other		
Expiring within one year	2	22
Expiring within two and five years inclusive	116	21
	<b>118</b>	43

### 21 Reconciliation of Net Income/Expenditure to Net Cash Flow from Operating Activities

	<b>2017</b>	2016 restated
	<b>£000</b>	£000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	<b>372</b>	383
Adjusted for:		
Depreciation	<b>76</b>	245
Capital grants from DfE and other Capital Income	<b>(1,075)</b>	(1,232)
Interest receivable	<b>(4)</b>	(3)
Net assets transferred on conversion to an academy trust	<b>51</b>	-
Defined benefit pension scheme obligation inherited	<b>-</b>	-
Defined benefit pension scheme cost less contributions payable	<b>163</b>	(30)
Defined benefit pension scheme finance cost	<b>84</b>	80
(Increase)/decrease in debtors	<b>(295)</b>	37
Increase/(decrease) in creditors	<b>(331)</b>	612
<b>Net cash provided by / (used in) operating activities</b>	<b>(959)</b>	92

# The Diocese of Sheffield Academies Trust (DSAT)

## Notes to the Financial Statements for the year ended 31 August 2017

### 22 Cash Flows from Financing Activities

Repayments of borrowing	(2)	(4)
Cash inflows from new borrowing		
<b>Net cash provided / (used in) financing activities</b>	<b>(2)</b>	<b>(4)</b>

### 23 Cash Flows from Investing Activities

Dividends, interest and rents from investments	4	3
Purchase of tangible fixed assets	(183)	(235)
Capital grants from DfE / ESFA	1,075	1,212
Capital funding received from sponsors and others	-	20
<b>Net cash provided by / (used in) investing activities</b>	<b>896</b>	<b>1,000</b>

### 24 Analysis of Cash and Cash Equivalents

	At 31 <sup>st</sup> August 2017 £000	At 31 <sup>st</sup> August 2016 £000
Cash in hand and at Bank	1,891	1,956
	<b>1,891</b>	<b>1,956</b>

### 25 Members Liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

### 26 Pension and Similar Obligations

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by South Yorkshire Pension Authority. Both are defined-benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2017. Contributions amounting to £69,000 were payable to the schemes at 31 August 2017 (2016: £45,000) and are included within creditors.



# The Diocese of Sheffield Academies Trust (DSAT)

## Notes to the Financial Statements for the year ended 31 August 2017

### 26 Pension and Similar Obligations (continued)

#### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

##### Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2016, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £722,000 (2016: £634,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

# The Diocese of Sheffield Academies Trust (DSAT)

## Notes to the Financial Statements for the year ended 31 August 2017

### 26 Pension and Similar Obligations

Under the definitions set out in Financial Reporting Standard (FRS 102), the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £302,000 (2016: £265,000), of which employer's contributions totalled £206,000 (2016: £185,000) and employees' contributions totalled £97,000 (2016: £80,000). The agreed employer contribution rates for future years range from 12.5% to 15.8%.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

On conversion the Academy Trust inherited a pension deficit from the South Yorkshire Pensions Authority of £2.356m. The Trust has entered into an agreement with the trustees to make additional contributions per annum in addition to normal funding levels. It is anticipated that the additional contributions will be paid over 23 years.

#### Principal actuarial assumptions

	At 31 August 2017	At 31 August 2016
Rate of increase in salaries	3.45%	3.55%
Rate of increase for pensions in payment/inflation	2.20%	1.90%
Discount rate for scheme liabilities	2.50%	2.10%
Inflation assumption (CPI)	2.20%	1.80%

The current mortality assumptions include sufficient allowances for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31 August 2017	At 31 August 2016
<i>Retiring today</i>		
Males	22.9	23.0
Females	25.7	25.7
<i>Retiring in 20 years</i>		
Males	25.1	25.4
Females	28	28.5

# The Diocese of Sheffield Academies Trust (DSAT)

## Notes to the Financial Statements for the year ended 31 August 2017

### 26 Pension and Similar Obligations (continued)

#### Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

	<b>At 31 August 2017 £000</b>	<b>At 31 August 2016 £000</b>
Discount rate +0.1%	(163)	(137)
Discount rate -0.1%	163	137
Mortality assumption – 1 year increase	117	98
Mortality assumption – 1 year decrease	(117)	(98)
CP1 rate +0.1%	167	140
CP1 rate -0.1%	(167)	(140)

The Academy Trust's share of the assets and liabilities in the scheme and the expected rates of return were:

	<b>Fair value at 31 August 2017 £000</b>	<b>Fair value at 31 August 2016 £000</b>
Equities	1,112	1,044
Government Bonds	242	269
Other Bonds	124	111
Property	166	197
Cash/Liquidity	38	30
Other	136	137
<b>Total market value of assets</b>	<b>1,818</b>	<b>1,788</b>

The actual return on scheme assets was £249,000)

#### Amounts recognised in the statement of financial activities

	<b>2017 £000</b>	<b>2016 £000</b>
Current service cost (net of employer contributions)	163	(30)
Net interest cost	84	80
<b>Total operating charge</b>	<b>247</b>	<b>50</b>

# The Diocese of Sheffield Academies Trust (DSAT)

## Notes to the Financial Statements for the year ended 31 August 2017

### 26 Pension and similar obligations (continued)

Changes in the present value of defined benefit obligations were as follows:

	2017 £000	2016 £000
<b>At 1 September</b>	5607	3,303
Upon conversion	800	-
Current service cost	499	281
Interest cost	127	134
Employee contributions	85	78
Actuarial (gain)/loss	(446)	1,818
Benefits paid	(3)	(7)
<b>At 31 August</b>	<u>6,669</u>	<u>5,607</u>

### Changes in the fair value of academy trust's share of scheme assets

	2017 £000	2016 £000
<b>At 1 September</b>	1,788	1,142
Upon conversion	20	-
Expected return on assets	43	54
Actuarial gain/(loss)	(56)	210
Employer contributions	342	316
Employee contributions	85	78
Benefits paid	(3)	(7)
Administration expenses	(6)	(5)
<b>At 31 August</b>	<u>2,213</u>	<u>1,788</u>
 <b>Net Pension Scheme Liabilities</b>	 <u>4,456</u>	 <u>3,819</u>

### 27 Related Party Transactions

Owing to the nature of the Academy's operations and the composition of the board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a governor has an interest. All transactions involving such organisations are conducted at arm's length and ordinarily in accordance with the academy's financial regulations and normal procurement procedures.

However during the year ended 31<sup>st</sup> August 2017 the Trust paid £2,765 to Gurner Electrical Solutions, a company managed by the husband of Amy Gurner Deputy Headteacher at Wickersley St Albans. The transactions have been conducted under normal market conditions and have followed the Academy Trust's procurement policies. The total cost to the Academy Trust during the period goes above the de minimis amount of £2,500 set by the Academies Financial Handbook for the "at cost" principle. At the balance sheet date there were no outstanding amounts to or from the related party.